

act:onaid @project



BRETTON WOODS

Brot
für die Welt



wemos
HEALTH UNLIMITED

Fiscal space for health

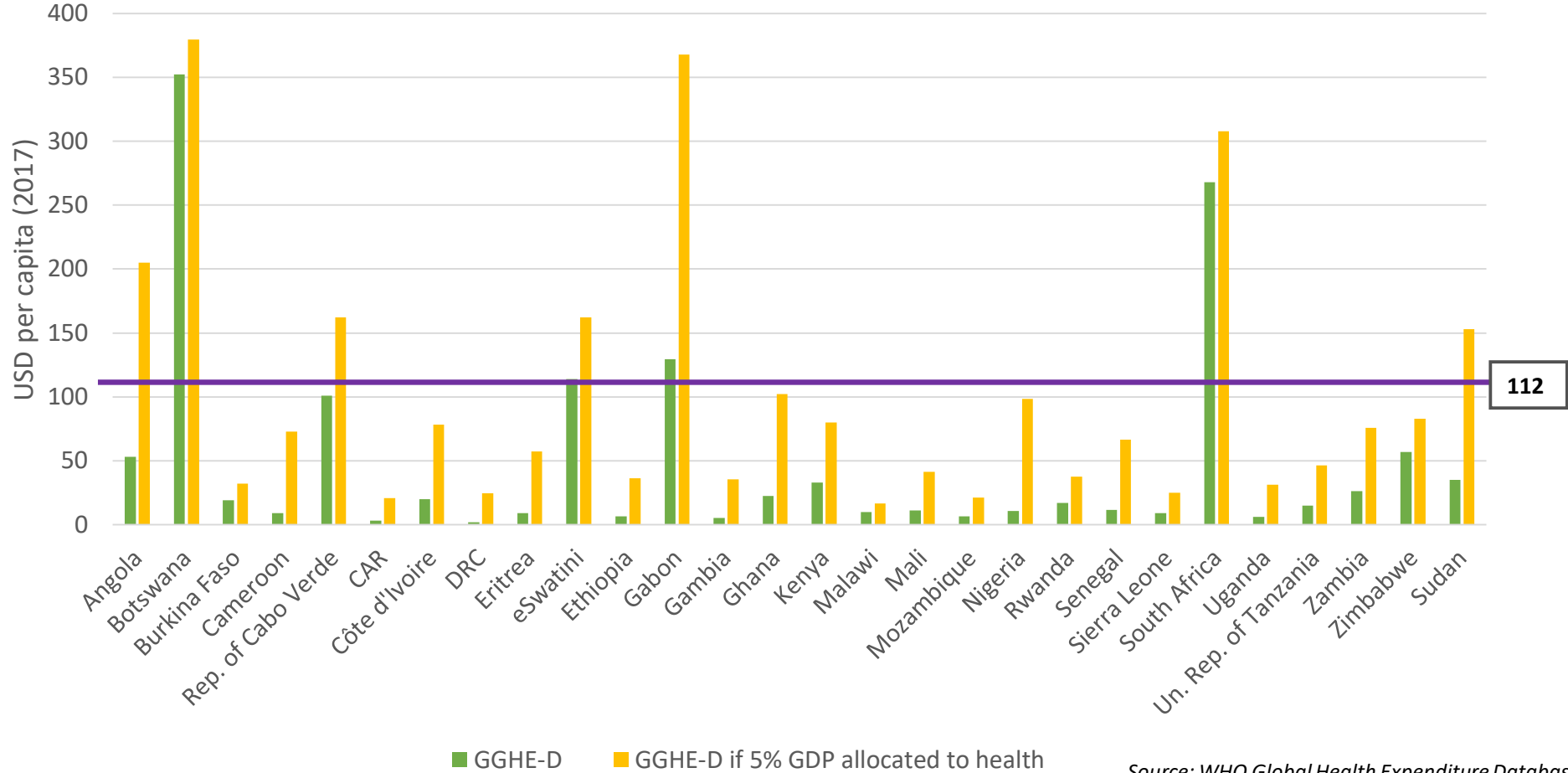
Myria Koutsoumpa

Wemos

Civil Society Policy Forum

IMF/WBG Annual Meetings 2020

General government health expenditure – domestic, and international benchmark



How to increase fiscal space for health?

The WHO's suggestions:

1. Conducive macroeconomic conditions.
2. Reprioritization of health within the government budget.
3. An increase in health sector-specific resources (e.g. earmarked taxation).
4. An increase in the efficiency of existing health expenditure.
5. Health sector-specific grants and foreign aid

Source: https://www.who.int/health_financing/topics/fiscal-space/key-points/en/



To achieve the health-related SDGs, LMICs would require an additional **US\$ 371 billion** per year by 2030.

Even with projected increases in domestic health spending, an annual gap of max **US\$ 54 billion** remains.

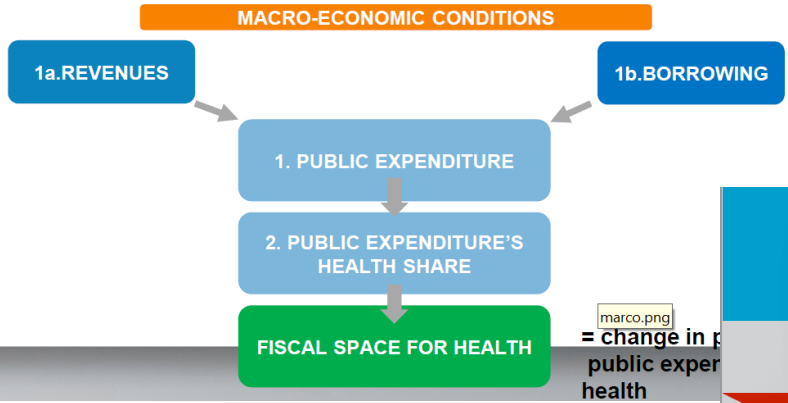
Source: Stenberg et al., 2017. *Financing transformative health systems towards achievement of the health Sustainable Development Goals: a model for projected resource needs in 67 low-income and middle-income countries*

Discussed options to expand fiscal space

Important, but are they sufficient?

- **Public financial management reforms and improving efficiency** → relatively small gain: ‘expected efficiency savings in Africa show a median potential efficiency gain of USD 8 per capita per annum’ *
- **Earmarked income and consumption taxes** → some examples*
 - Malawi -> ‘USD 0.63 per capita per year’
 - Nepal -> ‘prospects poor’
 - Zimbabwe -> ‘excise taxes will only marginally contribute’
- **Reprioritization of health in government budgets** → will bring limited resources in many LMICs

What is the budgetary process of FSH?



How can MOH engage in this process?

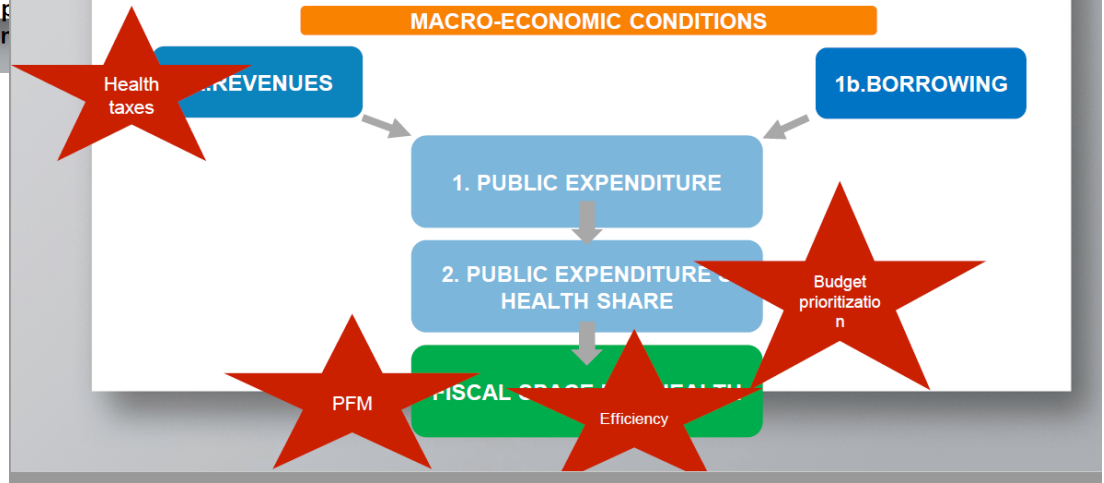


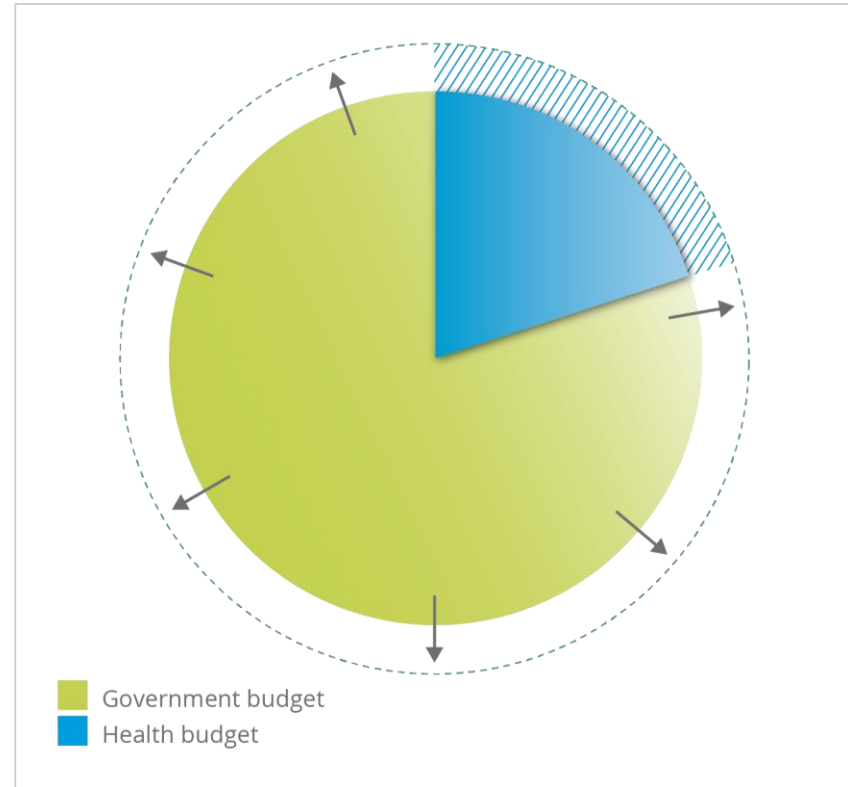
Image source: Presentation at the WHO Symposium in Montreux, 2019. Available at the WHO website.

The “preferred” way...

1. Conducive macroeconomic conditions.
2. Reprioritization of health within the government budget.
3. An increase in health sector-specific resources (e.g. **earmarked taxation**).
4. **An increase in the efficiency of existing health expenditure.**
5. Health sector-specific grants and foreign aid

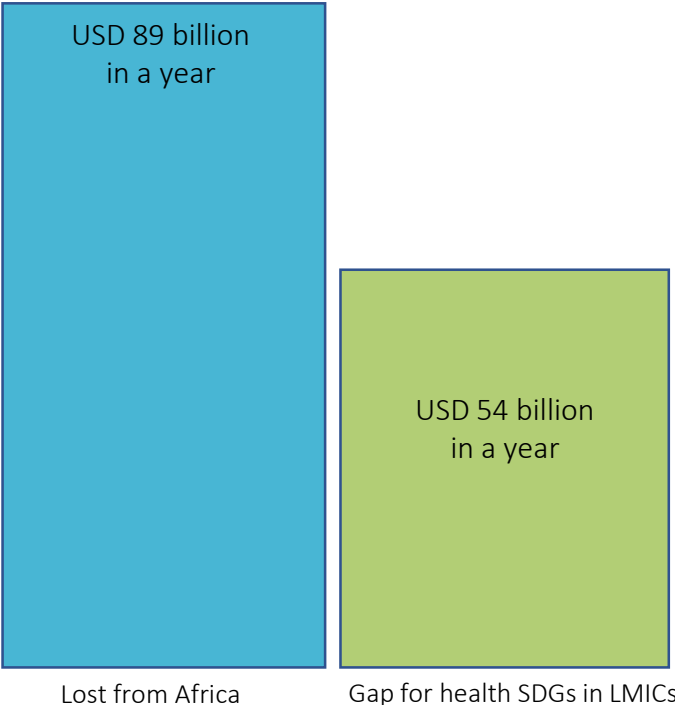
Source: https://www.who.int/health_financing/topics/fiscal-space/key-points/en/

...while we need to enlarge the pie!



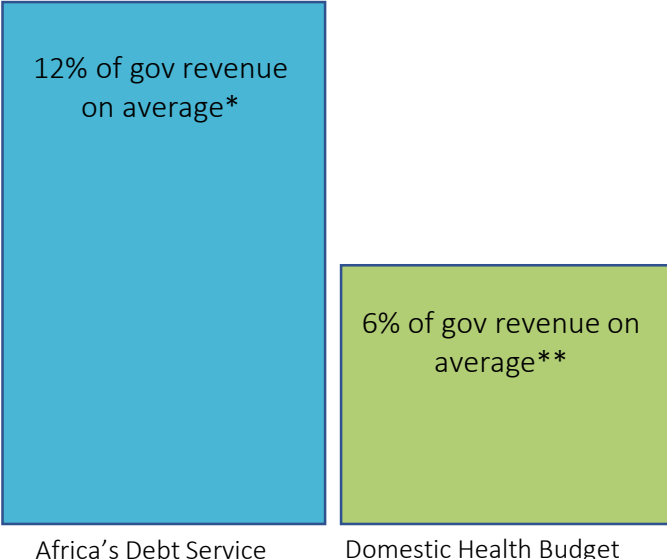
Loss of resources

Illicit Financial Flows



Source: UNCTAD, 2020. Economic Development in Africa

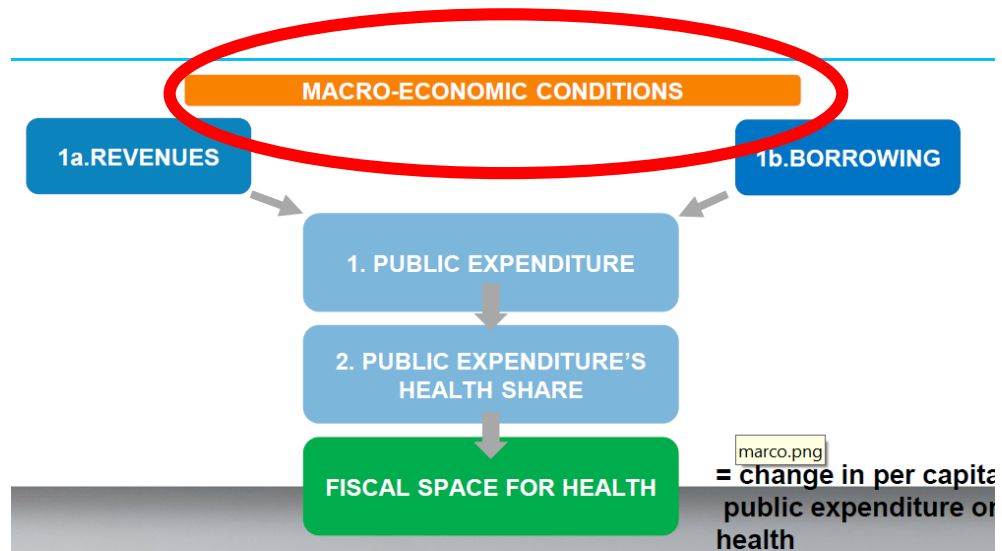
Debt Service



Source: *Jubilee Debt Campaign 2018. **WHO GHED.

Health budgeting process: question macroeconomic conditions!

1. Question mainstream economics and measure development by an indicator of well-being, not only the GDP
2. Stop discouraging sector ministries to engage in these processes
3. Push for alternatives that increase **public resources**
4. To increase public pressure, build **cross-sectoral alliance**



Thank you very much for your attention!



myria.koutsoumpa@wemos.nl



@MyriaKoutsoumpa

@wemos

Visit www.wemosresources.org !